

CHAPTER 4

MATERIEL MANAGEMENT AT INVENTORY CONTROL POINTS AND STORAGE  
ACTIVITIES

4-1. GENERAL

A. Shelf-Life coded items shall reside and be properly identified in an ICP record such as a National Inventory Record File (NIRF) , and in the Storage Activity (SA) record, such as the Locator File.

1. SLCS appropriate to an items-technical specification are required to allow requisition editing and issuance of materiel with consideration given to remaining shelf-life on stored wholesale stocks.

2. Shelf-Life coded items also allow shelf-life factors to be considered in the computation of requirements for replenishment buys, stratification of potential excesses, application of on-hand assets to system deficiencies? and control of customer returns of excess stocks.

B. ICPs and SAS shall ensure that SLC incompatibilities do not exist. To ensure this, only one individual and/or office within the ICP shall authorize and control SLC changes. SAS shall not make revisions to the SLCS except when authorized by that individual and/or office. Contact the ICP shelf-life focal point to determine the person authorized to make the SLC changes.

C. Shelf-Life markings on physical materiel are expressed by month or quarter and year designations (i.e., 11/98, or 3Q98) . Shelf-life periods end with the last day of the cited month or quarter. Shelf-life designations in shelf-life systems will reflect century century, year year, month month (CCYYMM) and century century, year year, quarter quarter (CCYYQQ) to accommodate the next century.

D. Storage Standards

1. Storage Standards will be prepared by the managing ICP and made available to the appropriate wholesale and retail SAS . It is mandatory that ICPS load storage standard information into the Materiel Quality Control Storage Standards (MQCSS) .

2. Storage Standards are published in joint regulation DLAR 4155.37/AR 702-18/NAVSUPINST 4410.56/AFJMAN 23-223/MCO 4450.13. Each Military Service and DLA ICP us assigned

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a different Appendix to this regulation; e. g., "C" for DLA's Defense Supply Center, Columbus, "N" for the Navy Inventory Control Point.

3. On line access to the storage standards is available. Instructions for access are available from the DOSO, DSN 695-5212/5224/3380 or commercial (804) 279-5212/5224/3380.

4. The ICP shelf-life focal point will prepare the storage standards in accordance with the Joint Regulation DLAR 4155.37/AR 702-18/NAVSUPINST 4410.56/AFJMAN 23-223/MCO 4450.13.

E. Following assignment of the SLC, the ICP technical function or the shelf-life focal point has the responsibility to prepare storage standards, assign 85 percent shelf-life remaining requirements, and assign MIL-STD-12, FED-STD-123, or MIL-STD-290 markings.

F. SAS will provide the ICP with timely adjustments to the ICP record; e.g., Document Identifier Code (DIC) "DAC," Inventory Adjustment - Dual (Condition Transfer) Card to change condition codes. Timely update by the ICP is required to assure that the ICP record contains accurate data when replenishment decisions are made.

G. Failure to assign an SLC to an item (when in fact it should have been assigned) may result in the deterioration of materiel in storage or while in the user's possession. Adverse safety and health situations could be the ultimate outcome (e.g., deteriorated drugs, food, chemicals, and adhesives).

### **4-2. LOGISTICS REASSIGNMENT (LR)**

A. Logistic reassignments (LR) occur when an ICP, or similar organization, transfers management responsibility (losing inventory manager (LIM) ) to another logistics activity (gaining inventory manager (GIM)). LIMs and GIMs effect LRs in accordance with Chapter II, DoD 4000.25-2-M.

B. An LR occurs routinely on an item-by-item basis, as a result of scheduled management reviews or for special projects; e.g., Consumable Item Transfer.

C. On all LRs the LIM will transfer the following data to the GIM:

1. SLCS (existing and recommended) , unless through negotiations with the GIM the LIM concurs with an SLC change.

2. LIM storage standards to include all inspection and testing instructions.

3. Application of any contractor or manufacturer warranty provisions.

4. The technical data package/documentation currently available for the specific item.

D. Non-shelf-life items, identified by shelf-life code 0, shall be reviewed by the GIM on the first acquisition after the transfer to determine the validity of assigning a 0 code.

#### **4-3. REVIEW AFTER ITEM ENTRY**

A. After the ICP assumes management of a shelf-life item typically from provisioning or logistics transfer, the ICP shall accomplish items 1-12, Chapter 3, paragraph 3-2.A, of this manual .

B. After a determination is made regarding the SLC designation of new and existing items, the review process shall be documented on a local form, letter, brief, or similar data base and made a part of the permanent record. This record shall contain, as a minimum, the following information:

1. The reasons why an item was designated as shelf-life, the identification of the shelf-life materiel, including the SLC, the document used to assign the SLC, the type of shelf-life assigned, plus any other pertinent information.

2. The contractor furnished criteria or standards that are used for testing or inspection of extendible (Type II) shelf-life items.

C. The ICP shall conduct the above subparagraph A review for all existing managed items at least once every 5 years in accordance with the IMC process, or at the call of the DoD Shelf-Life Program Director. Existing items shall also be reviewed when one or more of the following conditions occur on an item:

1. Specification change.

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2. Technology change.
3. Testing change.
4. Revised industry practice.
5. Challenge from a customer, requisitioner, SA or another ICP.
6. Past experience at the ICP, user, or SA.
7. Usage or user change.

D. A yearly report on the results of the new and existing item review shall be forwarded by the ICP to the Director, DoD Shelf-Life Program, no later than 31 January of each year. The time period covered for the reports is 1 January through 31 December. A separate report is required for new and existing items. The annual review requirement has been assigned Report Control Symbol DD - A&T (L) (A) 1902. Both reports shall be in the following format:

<u>FSC</u>	<u>Number Items Deleted</u>	<u>Number Items Reviewed</u>	<u>Period Lengthened</u>	<u>Period shortened</u>
5330	500	70	<b>40</b>	<b>20</b>
5340	600	80	<b>30</b>	<b>60</b>
TOTAL	1100	150	70	80

### 4-4. CATALOGING

A. SLCS are posted in the Management Data section of the FLIS Total Item Record.

B. Only one SLC will be assigned to each item of supply. These codes are input to the DoD catalog to alert the ICP and SA to an item's assigned shelf-life time period at the end of which Type I items will be considered for disposal, and Type II items will be inspected, tested, or restorative actions taken, as required.

C. ICPs, SAS, and using activities will be advised of new shelf-life items and shelf-life coding changes through the catalog change process.

4-5. INTERCHANGEABILITY/SUBSTITUTABILITY (I&S). If an item in the same I&S 'family group has a change made to its shelf-life designation, a shelf-life code change will be considered for other items in the same I&S family group.

4-6. QUALITY ASSURANCE

A. DoD Components shall prescribe quality assurance procedures for shelf-life items within their procurement and storage operations.

B. Each ICP will initiate a substantive review process of delivery, storage, and issue. The following policies shall be adhered to in order to assure quality and to ensure maximum shelf-life remaining.

1. Contractor compliance with the requirement to have 85 percent of the shelf life remaining at time of receipt by the first Government activity.

2. Contractor compliance with MIL-STD-129 requirements .

3. Adherence to placing materiel in environmentally controlled storage facilities if item requires it.

4. Priority review of PQDRs and SDRS for hazardous and nonhazardous materiel in that order.

5. Priority handling of inspection/testing requirements for shelf-life hazardous and nonhazardous materiel in that order.

4-7. PACKAGING

A. Packaging of shelf-life items shall be accomplished in accordance with AR 700-15/NAVSUPINST 4030.28/AFJMAN 24-206/MCO 4030.33B/DLAR 414.5.7.

B. In the management and storage of shelf-life items, ICPs shall be alert to the fact that improved packaging may prolong the shelf life of items. Current and future packaging technology should be explored by the ICP to obtain a longer shelf-life. Priority shall be placed on hazardous shelf-life items. Modifications' will meet the requirements of Code of Federal

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Regulations Title 49 (CFR Title 49) . SAS will ensure that packaging materials, which are essential to maintaining item integrity are not removed from the item while in storage.

### 4-8. INVENTORY MANAGEMENT

#### A. Requirements and Stockage Criteria

1. As a first choice Inventory Managers (IMs) shall make maximum use of Direct Vendor Delivery(DVD), Electronic Commerce (EC), Requirements Contracts and Prime Vendor (PV) . Additional emphasis will be placed on hazardous items. Chapter 5, paragraph 5-1.H, provides a description of the EC and PV concepts. Source capabilities shall be included in the above acquisition techniques.

2. Wholesale shelf-life items will be positioned only at Primary Distribution Depots and only those assets required to support maintenance functions will be collocated with the maintenance activities. Maximum use shall be made of the contractors distribution system to reduce Government stockage.

3. IMs and retail requisitioners will maintain surveillance of shelf-life items and determine requirements to avoid having stocks on hand beyond the shelf-life expiration date. When determining requirements, take into consideration the shelf-life periods, the feasibility of rotating assets before their expiration dates, and the probability of extending the inspect/test dates.

4. System reorder points shall be recomputed at least semiannually, and shall be confirmed on the basis of the latest recorded demand each time the system reorder point level is reached; i.e., before initiating new procurement action.

5. The following specifies the maximum amount of materiel that may be stocked in wholesale systems. This may be adjusted for war reserve stocks.

##### a. Replenishment Items

SHELF-LIFE PERIODMAXIMUM ALLOWABLE STOCK ON-HAND

<b>1-12 MONTHS</b>	DO NOT STOCK
13-18 MONTHS	5 MONTHS
19-24 MONTHS	6 MONTHS
25-36 MONTHS	9 MONTHS
37-48 MONTHS	12 MONTHS
> 48 MONTHS	15 MONTHS

b. Numeric Stockage Objective (NSO) items shall be computed as follows:

Stockage Objectives =  $\frac{1}{2}$  NSO quantity  
 Maximum Stockage Objective =  $\frac{1}{2}$  NSO quantity  
 Rotatable Quantity = NSO for shelf-life periods < 24 months  
 and =  $\frac{1}{2}$  NSO quantity for shelf-life periods = > 24 months.

c. The above criteria also applies to Military Service owned commingled stock being held by the IM for rotation purposes as well as other stocks stored at locations other than SAS .

Be Excess Stock. When an IM perceives that on-hand shelf-life materiel will exceed the maximum rotatable quantity, it is the IM's responsibility to review the item's demand patterns, due-in quantities, stock-on-hand, customer ordering practices, and potential for extending Type II items to avoid having materiel expire. After potential excess quantities have been identified, customers should be given incentives ("discount" prices or free issue) to reduce inventories. In other cases, materiel may be offered for Humanitarian Assistance Programs after all legal ramifications have been considered. Retail users shall report excess on-hand quantities to the IM. Return of materiel to manufacturers for reimbursement or exchange and redistribution of assets as specified in paragraph 4-9, B and C will also be considered.

C. Condition Code Migration. On-hand materiel that has migrated to condition code "B" will be applied against the total assets at a reduced level when considering a replenishment buy. Application of one quarter of yearly demand (3 months) is considered prudent.

4-9. WAR RESERVE PROGRAM. Standard war reserve policy requires DoD Components at all echelons to ensure that shelf-life items held for War Reserve Programs are identified, rotated, and maintained in a ready-for-issue condition. The Military

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Departments have established programs to provide materiel with the maximum shelf-life; but there are other alternatives that can be pursued to prevent disposal of large quantities of shelf-life materiel. Some of these methods are:

A. Discounts and Free Issues. The application of discounts or free issue to potentially expiring war reserve shelf-life materiel requires early identification, segregation, and active marketing of this materiel.

B. Return of Materiel to Manufacturers for Reimbursement or Exchange. This involves communicating with manufacturers in an attempt to obtain new items in exchange or credit for those approaching the end of their shelf life, and trading the old items in at less than the new item's price.

C. Redistribution. Redistributions may be made both within and among the Military Services or Agencies.

D. Defense Program for Redistribution of Assets (DEPRA). DEPRA is an established method of automatically screening excess Service materiel through a broad customer base to assure the greatest reutilization of this materiel. DEPRA policy is contained in DoD 4000.25-1-s2.

E. DoD Industrial Base. Industrial base considerations shall be made especially when an item is combat essential, military unique, has low peacetime/high wartime demand, limited production base and is a shelf-life item, e.g., chemical protective suits/gloves. In order to minimize the impact that these items have on supply support, the following strategies should be adopted:

1. Investment in selected production equipment.
2. Use of commercial substitutes when applicable.
3. Manufacturing technology programs to support "critical" technologies .
4. Service contracts (e.g., maintenance agreements) .
5. Joint Military Service/DLA planning.

### 4-10. EXCEPTIONS TO FIRST-IN FIRST-OUT (FIFO) ISSUE

A. Shelf-Life materiel generally will be issued on a First-In-First-Out (FIFO) basis. However, when there is a need to



replenish war reserve materiel, the maximum shelf life is required and Last-In-First-Out (LIFO) practices can be used on an exception basis. Several adaptations have been developed for the Services. They are:

1. Use of Advice Codes 2G, 23, 24, **29**, or 31.
2. Use of Project Code MPS for U.S. Marine Corps Maritime Prepositioned Ships (MPS), Project Code MK4 for Navy life rafts, Project Code 3AA for Prepositioned War Reserve Materiel, and Project Codes beginning with M and P for war reserve and operational projects, respectively. This will allow shipment of newest materiel, but with no less than 24 months shelf life remaining on items with SLCS of 36 months or--greater.
3. Use of Project Code 842, to allow shipment to Navy ships of materiel that has at least 1 year of shelf life remaining.
4. Issuing shelf-life items to satisfy requirements for stock (not immediate issue) originated by fleet units or overseas activities; and, it is known that condition code "B" stocks would have insufficient shelf life remaining.
5. When items are being incorporated in Components, Assemblies, Sets, Kits, and Outfits (CASKOs) or separately earmarked for CASKOS.
6. Use of Advice Code 7D is applicable to GSA-managed items only. When Advice Code 7D is used, GSA identifies the requisitions as a "request for DVD with price discounts and possible longer delivery time. Delivery from stock is acceptable if contract minimum order limitation is not met." In order to receive materiel under this process the requisition must meet the minimum order quantity established for the item and have an order value of at least \$300.
7. Use of Advice Codes 3C, 3D, 3E, 3F, 3G, 3H, or 3J will allow shipment of newest medical materiel with no less than 75 percent shelf life remaining to selected Prepositioned war reserve activities.

**B.- International Logistics Program (ILP) and Overseas Requirements.**

1. Items with an SLC of 24 months or greater, issued to satisfy either overseas or ILP requirements shall be in condition code A, with a minimum of 12 months shelf life remaining. Requisitioners may waive the 12-month minimum by

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submitting exception requisitions. Items with an SLC of less than 24 months are not subject to the 12-month minimum. However, they must be issued from condition code A assets, unless the customer specifies that other than condition code A materiel is acceptable. OCONUS requisitions may be identified by Document Identifier Codes (DIC) A01, A02, A03, A04, or A05 in record position 1-3 of the requisition. ILP requisitions are identified by the following MILSTRIP Service Codes in RP 30: B (Army FMS) , D (Air Force FMS) , K (Marine Corps FMS) , P (Navy FMS) , or T (DLA FMs) .

2. In addition to the above, ILP requisitions will be issued in accordance with Last-in First-Out (LIFO) policy. LIFO issue of Type I shelf-life items will be accomplished by issue of materiel with the most current date of expiration; Type II items will be issued by the most current date of manufacture, cured, assembly, or date packed (subsistence only) regardless of extensions.

3. For Air Force managed items, Condition Code B materiel may be issued for priority 01-08 Air Force FMS requisitions .

### **4-11. SHELF-LIFE CONDITION CODES AND RELATED MATERIEL ISSUE POLICY**

A. Shelf-Life items shall be identified on appropriate accountable records by the supply condition codes indicated in Appendix B.

B. Materiel will be issued strictly on a FIFO basis except when LIFO is authorized by this Manual. The oldest stock within the condition code will be issued before newer stocks.

C. Condition code changes received from the SAS will be promptly processed to update the accountable record.

D. DoD Components shall apply MILSTRAP supply condition codes prescribed in Appendix B and in accordance with the following table:

When Shelf Life Remaining is:	Assign Supply Condition Code
Less than 3 months	"C" IM shall contact the customer prior to issue of materiel (Applies only to CONUS customers)
3 through 6 months	"B" (restricted issue) DLA issues B condition materiel to CONUS customers.
More than 6 months	"A" (Unrestricted issue)

E. Exceptions

1. When directed by the ICP, items assigned a shelf-life code of 12 months or less may be maintained in condition code "A" for a specific period other than for those periods shown above. These items shall be isolated, and close surveillance maintained by the ICP and the SA to ensure items are issued prior to the expiration date. These items should be screened to ensure that indefinite delivery type contracts, DVD, or EDI are used, as appropriate.

2. For materiel managed by the DSCP-Medical:

a. Condition code "C" materiel is issued to CONUS customers on priority designator 01-03 requisitions when the materiel has less than 90 days of shelf life remaining. However, for that condition code "C" materiel with less than 30 days shelf life remaining, customer concurrence is required.

b. SAS shall ship materiel that has at least 9 months shelf life remaining if the customer is located overseas.

3. The Air Force wholesale system issues condition code "C" materiel to Air Force CONUS activities if the priority designator on the requisition is 01 through 08.

-4. The shelf-life condition codes in subparagraph D, above, do not apply to nuclear ordnance. Compliance with the nuclear weapons reliability concept requires that items for reserve use need special testing or DoE control for quality

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assurance. These items are available only from DoE through the Field Command, DSWA, and shall be managed in accordance with the provisions of DOE-DNA TP 100-1. Shelf-life extension information shall be accomplished in accordance with the provisions of DoE-DNA TP 35-51A.

5. For GSA materiel, internal controls have been established to ensure that no item is shipped from GSA facilities if less than the minimum time indicated below remains:

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<u>Shelf-Life</u>	<u>CONUS</u>	<u>Overseas Surface</u>	<u>Overseas Air</u>
1 year or more	1/2 original shelf-life		
9 months	4 months	4 months	4 months
6 months	2 months	3 months	2 months
3 months	1 month	N/A*	45 days

\* Items with a 3-month shelf-life must be shipped overseas only by air transportation.

### F. Non-Issuable Materiel

1. When shelf-life materiel is placed into a non-issuable condition; i.e., condition codes other than A, B, or C, the IM shall ensure that this materiel is expeditiously returned to an issuable condition. Expeditious processing shall be performed to ensure that materiel does not expire while it is in the non-issuable condition. Hazardous shelf-life items shall be processed before nonhazardous shelf-life items.

2. The maximum timeframes in which materiel may be suspended while in condition codes J, K, or R, are specified in DoD 4000.25-2-M, and are as follows:

Supply Condition Code J - 90 Days  
Supply Condition Code K - 10 Days  
Supply Condition Code R - 180 Days

Every effort should be made by all parties to decrease these timeframes for shelf-life items.

3. If the materiel is in condition code "L," the following actions shall be taken after the litigation is resolved:

a. For the materiel that is expired, replacement materiel shall be obtained from the contractor.

b. If the materiel has less than 6 months shelf-life remaining, replacement materiel shall be obtained from the contractor unless the materiel can be issued to a customer who agrees to accept the less than 6-month shelf-life remaining materiel.

#### **4-12. MATERIEL RETURNS**

A. The following applies to reports of customer excess of shelf-life items:

1. DoD Component ICPs shall adhere to the MILSTRIP MRP when processing reports of customer excess. Shelf-Life items will be reported and returned in a ready to issue condition. Expired shelf-life materiel or items having less than 3 months shelf-life remaining will not be returned unless authorized by the managing ICP. Type II shelf-life items shall be extended prior to return with the DD Form 2477, Shelf-Life Extension Notice.

2. Medical and perishable subsistence items are not authorized for return.

3. Reimbursement shall be in accordance with DoD Regulation 4140.1-R.

4. Reporting of excess materiels to ICPS shall be IAW DoD Regulation 4140.1-R.

#### **B. Excess/Disposal**

1. IMs are responsible for screening materiel excess to their needs throughout DoD prior to turn-in of the excess materiel to a Defense Reutilization and Marketing office (DRMO). Turn-in of excess shelf-life items and disposal of shelf-life items shall be in accordance with the provisions of DoD 4160.21-M.

2. When excess (serviceable/unserviceable) materiel migrates to supply condition codes J, K, L, M, N, P, Q or R, activities must initiate action to reclassify the materiel to an acceptable supply condition code (i.e., A through H) before preparing the turn-in document DD Form 1348-1A, Issue Release/Receipt Document or DD Form 1348-2, Issue Release/Receipt Document with Address Label. Paragraph 5-2, of DoD 4160.21-M, contains the materiel reclassification procedures.

3. In order to ensure that shelf-life items are properly disposed of, and the "DoD Shelf-Life Management Report" contains accurate information, include the following entries in the DD Form 1348-1A, or DD Form 1348-2, Disposal Turn-In Document:

a. Management Codes in record position 72 to include management code "T" for shelf-life materiel which has expired or cannot/will not be extended.

b. Block 27 of the DD Form 1348-1A with the phrase "Shelf-Life Property."

c. Block 15 of the DD Form 1348-1A will contain the SLC.

4. Once shelf-life items are considered excess and disposal action is required, expeditious action will be taken to process these items to the DRMO. This is recommended because some states, under their environmental laws, consider the expiration of shelf-life for hazardous materiel as the point where these items become hazardous waste. Since many of the items in the DoD Shelf-Life Program are considered hazardous there is the potential to incur additional environmental problems and generate additional handling costs for hazardous waste.

5. Excess medical and perishable subsistence shelf-life items are not authorized to be returned to the SAS.

4-13. RASE "CLOSURES. Following public announcement that a base will be closed, the supply activity will implement a time-phased process to reduce and subsequently ship out, or turn-in to DRMO, all stocks of shelf-life items. These actions will be in consonance with the closure plans of the Components and shall occur prior to the closure date.

4-14. COMPONENT, ASSEMBLY, SET, KIT, AND OUTFIT (CASKO). CASKOS containing shelf-life items having the same or different expiration dates, or inspection/test dates shall comply with the following policy:

A. Assign and mark the CASKO with the SLC reflecting the shortest shelf-life period of all the shelf-life items contained in the CASKO.

B. Assign and mark the CASKO expiration or inspect/test date with the earliest expiration date or earliest inspect/test date of all of the shelf-life items in the CASKO.

C. Maintain a packing list or other control document listing the shelf-life items, shelf-life periods or codes, and the expiration or inspect/test dates.

D. If an item, or items, within a CASKO reaches its expiration date or inspection/test date, do not issue the CASKO until all expired items are replaced with issuable condition coded materiel or the items are tested or inspected (Type II materiel) and brought back to issuable condition codes. Place non-issuable CASKOs in condition code "E" or "G."

E. Do not dispose of CASKOs when the CASKO or an item within that CASKO reaches its expiration or inspection/test date unless the IM specifically directs disposal action" .

F. At the option of the Military Service or Agency, shelf-life items may be packaged and stored separately from the CASKO to facilitate the rotation of shelf-life materiel.

4-15. REPAIR OR OVERHAUL. If an item is repaired or overhauled, and the item or component controlling shelf-life in that reparable is replaced, a new shelf-life period must be established for the item that is being repaired or overhauled.

4-16. FINANCIAL ACCOUNTING. Reduction in inventories due to losses sustained from the expiration of shelf-life items shall be accounted for in the financial records of the accountable officer. Transactions shall be identified and recorded in general ledger accounts in accordance with DoD 7220.9 M.

#### 4-17. SHELF-LIFE MANAGEMENT REPORT

A. An annual (31 December) Shelf-Life Management Report shall be prepared in the format depicted in Appendix C. Report statistics are extracted from the end of the annual period. The report shall be submitted by the Service/Agency Shelf-Life administrators to the Doll Shelf-Life Program Director **30** days after the annual output dates. The reporting requirements for the report have been assigned Report Control Symbol (RCS) DD-A&T (L) (A) 1549. The report shall be distributed to all responsible DOD officials including, as a minimum, the Service/Agency administrators and the ICP shelf-life focal points and the major operating commands.

B. There are two parts to the report. Part I shall be prepared by DoD Components, excluding the Defense Special Weapons Agency (DSWA) and shall contain the following information for consumable and nonconsumable materiel in wholesale storage:

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1. By ICP, FSC, Military Service, and Agency, the number of NSNs and dollar value inventory of shelf-life items managed. Dollar value of inventory throughout Part I represents the total dollar value of shelf-life on hand assets in condition codes A, B, C, D, E, F, G, K, L, and J.

2. By ICP, FSC, Military Service and Agency, the total number of NSNS and dollar value inventory added and deleted from the shelf-life program since the last report. Additions include items that are now in the supply system and are assigned SLCS and new shelf-life items entering the supply system. Deletions include items that have been totally deleted from the supply system and items that are deleted only from the shelf-life program.

3. By ICP, FSC, Military Service, and Agency, the net change in the number of NSNS and dollar value inventory.

4. The ICP, Military Service, and Agency totals and grand totals.

5. Remarks, if applicable. For example, if a particular Military Service or Agency has a significant increase in the number of NSNS or dollar value inventory, this shall be included in the remarks.

C. Part I of the report shall be used as a basis for determining the following:

1. The ICPS responsible for the management of shelf-life items.

2. The number and dollar value of items in the program at a given point in time; i.e., the baseline.

3. The program's stability or direction

4. The characteristics of shelf-life items.

5. The commodities or FSCS requiring special attention and action.

6. Any other purpose deemed necessary by the DoD Component. . .

D. Part II of the report shall be prepared by the Defense Reutilization and Marketing Service (DRMS) and forwarded to the



Military Service and Agency shelf-life focal points. It will contain the following information for both consumable and nonconsumable shelf-life items:

1. By ICP, FSC, Military Service and Agency, the number of NSNS and dollar value of wholesale disposals. This category includes disposal for expired shelf-life items and disposal for extendible shelf-life items that failed the inspection or test. These items are identified by Management Code T.

2. By turn-in Military Service, Agency and FSC, the number of NSNS and dollar value of retail disposal. This category includes disposal for all shelf-life items and disposal for expired shelf-life items which are identified by Management Code T.

3. By FSC, Military Service and Agency, the number of NSNS and dollar value of shelf-life items utilized by DoD.

4. By FSC, the number of NSNS and dollar value of shelf-life items transferred to non-DoD Agencies.

5. The number of NSNS and dollar value of shelf-life items donated, sold, abandoned/destroyed, or downgraded to scrap by the DRMO. All other dispositions of shelf-life materiel will also be listed.

6. DoD Component totals and grand total for each of the above categories.

7. Remarks, if applicable. For example, if a significant amount of shelf-life materiel were disposed of, and the materiel is held for war reserves and not issue purposes, the DoD Components will include this in the remarks.

E. Part II of the report will be used as a basis for determining:

1. The volume of shelf-life items entering the disposal program in terms of number of items and dollar value of materiel.

2. The shelf-life FSCS or commodities requiring specific attention or action.

3. Whether disposal volume for shelf-life and shelf-life hazardous items is proportionately less than, equal

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to, or greater than disposal volumes for other than shelf-life items .

4. The organizational level, ICP, or retail activity , generating the disposal action.

5. The shelf-life disposal program's stability or direction (trends) .

6. Any other purpose deemed necessary by the DoD Components.

7. In performing the above analysis emphasis shall be placed on the review of hazardous shelf-life disposal.